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SENATE BILL 118

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

John Arthur Smith

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING FOR LOCAL OPTION COMPENSATING TAXES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-1-3 NMSA 1978 (being Laws 1965, Chapter 248, Section 3, as amended) is amended to read:

"7-1-3. DEFINITIONS. -- Unless the context clearly indicates a different meaning, the definitions of words and phrases as they are stated in this section are to be used, and whenever in the Tax Administration Act these words and phrases appear, the singular includes the plural and the plural includes the singular:

A. "automated clearinghouse transaction" means an electronic credit or debit transmitted through an automated clearinghouse payable to the state treasurer and deposited with

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1 the fiscal agent of New Mexico;

2 B. "department" means the taxation and revenue  
3 department, the secretary or any employee of the department  
4 exercising authority lawfully delegated to that employee by the  
5 secretary;

6 C. "electronic payment" means a payment made by  
7 automated clearinghouse deposit, any funds wire transfer system  
8 or a credit card, debit card or electronic cash transaction  
9 through the internet;

10 D. "employee of the department" means any employee  
11 of the department, including the secretary, or any person  
12 acting as agent or authorized to represent or perform services  
13 for the department in any capacity with respect to any law made  
14 subject to administration and enforcement under the provisions  
15 of the Tax Administration Act;

16 E. "financial institution" means any state or  
17 federally chartered, federally insured depository institution;

18 F. "Internal Revenue Code" means the Internal  
19 Revenue Code of 1986, as amended;

20 G. "levy" means the lawful power, hereby invested  
21 in the secretary, to take into possession or to require the  
22 present or future surrender to the secretary or the secretary's  
23 delegate of any property or rights to property belonging to a  
24 delinquent taxpayer;

25 H. "local option compensating tax" means a tax

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1 authorized to be imposed by a county or municipality upon the  
2 taxpayer's use of property, as the term "use" is defined in the  
3 Gross Receipts and Compensating Tax Act, and required to be  
4 collected by the department at the same time and in the same  
5 manner as the compensating tax; "local option compensating tax"  
6 includes the compensating taxes imposed pursuant to the  
7 Municipal Local Option Gross Receipts Taxes Act, Supplemental  
8 Municipal Gross Receipts Tax Act, County Local Option Gross  
9 Receipts Taxes Act, Local Hospital Gross Receipts Tax Act,  
10 County Correctional Facility Gross Receipts Tax Act and such  
11 other acts as may be enacted authorizing counties or  
12 municipalities to impose taxes on use of property, which taxes  
13 are to be collected by the department in the same time and in  
14 the same manner as it collects the compensating tax;

15 ~~[H-]~~ I. "local option gross receipts tax" means a  
16 tax authorized to be imposed by a county or municipality upon  
17 the taxpayer's gross receipts, as that term is defined in the  
18 Gross Receipts and Compensating Tax Act, and required to be  
19 collected by the department at the same time and in the same  
20 manner as the gross receipts tax; "local option gross receipts  
21 tax" includes the taxes imposed pursuant to the Municipal Local  
22 Option Gross Receipts Taxes Act, Supplemental Municipal Gross  
23 Receipts Tax Act, County Local Option Gross Receipts Taxes Act,  
24 Local Hospital Gross Receipts Tax Act, County Correctional  
25 Facility Gross Receipts Tax Act and such other acts as may be

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1 enacted authorizing counties or municipalities to impose taxes  
2 on gross receipts, which taxes are to be collected by the  
3 department in the same time and in the same manner as it  
4 collects the gross receipts tax;

5 [~~I.~~] J. "managed audit" means a review and analysis  
6 conducted by a taxpayer under an agreement with the department  
7 to determine the taxpayer's compliance with a tax administered  
8 pursuant to the Tax Administration Act and the presentation of  
9 the results to the department for assessment of tax found to be  
10 due;

11 [~~J.~~] K. "net receipts" means the total amount of  
12 money paid by taxpayers to the department in a month pursuant  
13 to a tax or tax act less any refunds disbursed in that month  
14 with respect to that tax or tax act;

15 [~~K.~~] L. "overpayment" means an amount paid,  
16 pursuant to any law subject to administration and enforcement  
17 under the provisions of the Tax Administration Act, by a person  
18 to the department or withheld from the person in excess of tax  
19 due from the person to the state at the time of the payment or  
20 at the time the amount withheld is credited against tax due;

21 [~~L.~~] M. "paid" includes the term "paid over";

22 [~~M.~~] N. "pay" includes the term "pay over";

23 [~~N.~~] O. "payment" includes the term "payment over";

24 [~~O.~~] P. "person" means any individual, estate,  
25 trust, receiver, cooperative association, club, corporation,

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1 company, firm, partnership, limited liability company, limited  
2 liability partnership, joint venture, syndicate, other  
3 association or gas, water or electric utility owned or operated  
4 by a county or municipality; "person" also means, to the extent  
5 permitted by law, a federal, state or other governmental unit  
6 or subdivision, or an agency, department or instrumentality  
7 thereof; and "person", as used in Sections 7-1-72 through  
8 7-1-74 NMSA 1978, also includes an officer or employee of a  
9 corporation, a member or employee of a partnership or any  
10 individual who, as such, is under a duty to perform any act in  
11 respect of which a violation occurs;

12 [P-] Q. "property" means property or rights to  
13 property;

14 [Q-] R. "property or rights to property" means any  
15 tangible property, real or personal, or any intangible property  
16 of a taxpayer;

17 [R-] S. "secretary" means the secretary of taxation  
18 and revenue and, except for purposes of Subsection B of Section  
19 7-1-4 NMSA 1978 and Subsection E of Section 7-1-24 NMSA 1978,  
20 also includes the deputy secretary or a division director or  
21 deputy division director delegated by the secretary;

22 [S-] T. "secretary or the secretary's delegate"  
23 means the secretary or any employee of the department  
24 exercising authority lawfully delegated to that employee by the  
25 secretary;

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1           ~~[T-]~~ U. "security" means money, property or rights  
2 to property or a surety bond;

3           ~~[U-]~~ V. "state" means any state of the United  
4 States, the District of Columbia, the commonwealth of Puerto  
5 Rico and any territory or possession of the United States;

6           ~~[V-]~~ W. "tax" means the total amount of each tax  
7 imposed and required to be paid, withheld and paid or collected  
8 and paid under provision of any law made subject to  
9 administration and enforcement according to the provisions of  
10 the Tax Administration Act and, unless the context otherwise  
11 requires, includes the amount of any interest or civil penalty  
12 relating thereto; "tax" also means any amount of any abatement  
13 of tax made or any credit, rebate or refund paid or credited by  
14 the department under any law subject to administration and  
15 enforcement under the provisions of the Tax Administration Act  
16 to any person contrary to law and includes, unless the context  
17 requires otherwise, the amount of any interest or civil penalty  
18 relating thereto;

19           ~~[W-]~~ X. "taxpayer" means a person liable for  
20 payment of any tax, a person responsible for withholding and  
21 payment or for collection and payment of any tax or a person to  
22 whom an assessment has been made, if the assessment remains  
23 unabated or the amount thereof has not been paid; and

24           ~~[X-]~~ Y. "tax return preparer" means a person who  
25 prepares for others for compensation or who employs one or more

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1 persons to prepare for others for compensation any return of  
2 income tax, a substantial portion of any return of income tax,  
3 any claim for refund with respect to income tax or a  
4 substantial portion of any claim for refund with respect to  
5 income tax; provided that a person shall not be a "tax return  
6 preparer" merely because such person:

7 (1) furnishes typing, reproducing or other  
8 mechanical assistance;

9 (2) is an employee who prepares an income tax  
10 return or claim for refund with respect to an income tax return  
11 of the employer, or of an officer or employee of the employer,  
12 by whom the person is regularly and continuously employed; or

13 (3) prepares as a trustee or other fiduciary  
14 an income tax return or claim for refund with respect to income  
15 tax for any person. "

16 Section 2. Section 7-1-6.12 NMSA 1978 (being Laws 1983,  
17 Chapter 211, Section 17, as amended) is amended to read:

18 "7-1-6.12. ~~TRANSFER--REVENUES FROM MUNICIPAL LOCAL OPTION~~  
19 ~~GROSS RECEIPTS TAXES--~~REVENUES FROM LOCAL OPTION COMPENSATING  
20 TAXES. --

21 A. A transfer pursuant to Section 7-1-6.1 NMSA 1978  
22 shall be made to each municipality for which the department is  
23 collecting a local option gross receipts tax imposed by that  
24 municipality in an amount, subject to any increase or decrease  
25 made pursuant to Section 7-1-6.15 NMSA 1978, equal to the net

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1 receipts attributable to the local option gross receipts tax  
2 imposed by that municipality, less any deduction for  
3 administrative cost determined and made by the department  
4 pursuant to the provisions of the act authorizing imposition by  
5 that municipality of the local option gross receipts tax and  
6 any additional administrative fee withheld pursuant to  
7 Subsection C of Section [~~1 of this 1997 act~~] 7-1-6.41 NMSA  
8 1978.

9 B. A transfer pursuant to Section 7-1-6.1 NMSA 1978  
10 shall be made to each municipality for which the department is  
11 collecting a local option compensating tax imposed by that  
12 municipality in an amount, subject to any increase or decrease  
13 pursuant to Section 7-1-6.15 NMSA 1978, equal to the net  
14 receipts attributable to the local option compensating tax  
15 imposed by that municipality."

16 Section 3. Section 7-1-6.13 NMSA 1978 (being Laws 1983,  
17 Chapter 211, Section 18, as amended) is amended to read:

18 "7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION  
19 GROSS RECEIPTS TAXES--REVENUES FROM LOCAL COMPENSATING TAXES.--

20 A. Except as provided in Subsection [~~B~~] C of this  
21 section, a transfer pursuant to Section 7-1-6.1 NMSA 1978 shall  
22 be made to each county for which the department is collecting a  
23 local option gross receipts tax imposed by that county in an  
24 amount, subject to any increase or decrease made pursuant to  
25 Section 7-1-6.15 NMSA 1978, equal to the net receipts

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1 attributable to the local option gross receipts tax imposed by  
2 that county, less any deduction for administrative cost  
3 determined and made by the department pursuant to the  
4 provisions of the act authorizing imposition by that county of  
5 the local option gross receipts tax and any additional  
6 administrative fee withheld pursuant to Subsection C of Section  
7 7-1-6.41 NMSA 1978.

8 B. A transfer pursuant to Section 7-1-6.1 NMSA 1978  
9 shall be made to each county for which the department is  
10 collecting a local option compensating tax imposed by that  
11 county in an amount, subject to any increase or decrease made  
12 pursuant to Section 7-1-6.15 NMSA 1978, equal to the net  
13 receipts attributable to the local option compensating tax  
14 imposed by that county.

15 ~~[B-]~~ C. In lieu of a distribution pursuant to  
16 Subsection A of this section to a class B county with a  
17 population, as shown in the last federal decennial census, of  
18 more than twenty-five thousand and a net taxable value in the  
19 2002 property tax year of less than two hundred million dollars  
20 (\$200,000,000), the department shall make a distribution of the  
21 following amounts to the largest municipality in that county  
22 for the purpose of maintaining and operating a hospital:

23 (1) amounts attributable to the second  
24 one-eighth percent increment of the local option gross receipts  
25 tax; and

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1 (2) amounts attributable to the special county  
2 hospital gross receipts tax. "

3 Section 4. Section 7-1-6.15 NMSA 1978 (being Laws 1983,  
4 Chapter 211, Section 20, as amended) is amended to read:

5 "7-1-6.15. ADJUSTMENTS OF DISTRIBUTIONS OR TRANSFERS TO  
6 MUNICIPALITIES OR COUNTIES. --

7 A. The provisions of this section apply to:

8 (1) any distribution to a municipality of  
9 gross receipts taxes pursuant to Section 7-1-6.4 NMSA 1978 or  
10 of interstate telecommunications gross receipts tax pursuant to  
11 Section 7-1-6.36 NMSA 1978;

12 (2) any transfer to a municipality with  
13 respect to any local option gross receipts tax or local option  
14 compensating tax imposed by that municipality;

15 (3) any transfer to a county with respect to  
16 any local option gross receipts tax or local option  
17 compensating tax imposed by that county;

18 (4) any distribution to a county pursuant to  
19 Section 7-1-6.16 NMSA 1978;

20 (5) any distribution to a municipality or a  
21 county of gasoline taxes pursuant to Section 7-1-6.9 NMSA 1978;

22 (6) any transfer to a county with respect to  
23 any tax imposed in accordance with the Local Liquor Excise Tax  
24 Act;

25 (7) any distribution to a municipality or a

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1 county of cigarette taxes pursuant to Sections 7-1-6.11,  
2 7-12-15 and 7-12-16 NMSA 1978;

3 (8) any distribution to a county from the  
4 county government road fund pursuant to Section 7-1-6.26 NMSA  
5 1978;

6 (9) any distribution to a municipality of  
7 gasoline taxes pursuant to Section 7-1-6.27 NMSA 1978; and

8 (10) any distribution to a municipality,  
9 county, school district or special district of oil and gas ad  
10 valorem production tax reduced as a result of a refund  
11 requested in December 1998 with respect to production of carbon  
12 di oxide.

13 B. If the secretary determines that any prior  
14 distribution or transfer to a political subdivision was  
15 erroneous, the secretary shall increase or decrease the next  
16 distribution or transfer amount for that political subdivision  
17 after the determination, except as provided in Subsection C, D  
18 or E of this section, by the amount necessary to correct the  
19 error. Subject to the provisions of Subsection E of this  
20 section, the secretary shall notify the political subdivision  
21 of the amount of each increase or decrease.

22 C. No decrease shall be made to current or future  
23 distributions or transfers to a political subdivision for any  
24 excess distribution or transfer made to that political  
25 subdivision more than one year prior to the calendar year in

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1 which the determination of the secretary was made.

2 D. The secretary, in lieu of recovery from the next  
3 distribution or transfer amount, may recover an excess  
4 distribution or transfer of one hundred dollars (\$100) or more  
5 to the political subdivision in installments from current and  
6 future distributions or transfers to that political subdivision  
7 pursuant to an agreement with the officials of the political  
8 subdivision whenever the amount of the distribution or transfer  
9 decrease for the political subdivision exceeds ten percent of  
10 the average distribution or transfer amount for that political  
11 subdivision for the twelve months preceding the month in which  
12 the secretary's determination is made; provided that for the  
13 purposes of this subsection, the "average distribution or  
14 transfer amount" shall be the arithmetic mean of the  
15 distribution or transfer amounts within the twelve months  
16 immediately preceding the month in which the determination is  
17 made.

18 E. Except for the provisions of this section, if  
19 the amount by which a distribution or transfer would be  
20 adjusted pursuant to Subsection B of this section is one  
21 hundred dollars (\$100) or less, no adjustment or notice need be  
22 made.

23 F. The secretary is authorized to decrease a  
24 distribution to a municipality or county upon being directed  
25 to do so by the secretary of finance and administration

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1 pursuant to the State Aid Intercept Act or to redirect a  
2 distribution to the New Mexico finance authority pursuant to  
3 an ordinance or a resolution passed by the county or  
4 municipality and a written agreement of the municipality or  
5 county and the New Mexico finance authority. Upon direction  
6 to decrease a distribution or notice to redirect a  
7 distribution to a municipality or county, the secretary shall  
8 decrease or redirect the next designated distribution, and  
9 succeeding distributions as necessary, by the amount of the  
10 state distributions intercept authorized by the secretary of  
11 finance and administration pursuant to the State Aid  
12 Intercept Act or by the amount of the state distribution  
13 intercept authorized pursuant to an ordinance or a resolution  
14 passed by the county or municipality and a written agreement  
15 with the New Mexico finance authority. The secretary shall  
16 transfer the state distributions intercept amount to the  
17 municipal or county treasurer or other person designated by  
18 the secretary of finance and administration or to the New  
19 Mexico finance authority pursuant to written agreement to pay  
20 the debt service to avoid default on qualified local revenue  
21 bonds or meet other local revenue bond, loan or other debt  
22 obligations of the municipality or county to the New Mexico  
23 finance authority. "

24 Section 5. A new section of the Tax Administration Act  
25 is enacted to read:

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1           "NEW MATERIAL] LOCATION OF USE. --

2           A. For compensating tax and local option  
3 compensating tax purposes, use of property occurs in the  
4 jurisdiction in which:

5                   (1) the buyer's place of business is located  
6 if the buyer is engaging in business in New Mexico and uses  
7 the property in furtherance of that business;

8                   (2) the buyer's principal office is located  
9 if the buyer is the state or a local government or an agency  
10 or instrumentality of the state or a local government; or

11                   (3) the buyer's residence is located if the  
12 buyer is not engaging in business in New Mexico or does not  
13 use the property in furtherance of business.

14           B. The department shall promulgate regulations to  
15 determine where use will be attributed when the buyer has  
16 more than one business location or residence in New Mexico. "

17           Section 6. Section 7-9-7.1 NMSA 1978 (being Laws 1993,  
18 Chapter 45, Section 1, as amended) is amended to read:

19           "7-9-7.1. DEPARTMENT BARRED FROM TAKING COLLECTION  
20 ACTIONS WITH RESPECT TO CERTAIN COMPENSATING TAX  
21 LIABILITIES. --

22           A. The department shall take no action to enforce  
23 collection of compensating tax or any local option  
24 compensating tax due on purchases made by an individual if:

25                   (1) the property is used only for

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1 nonbusiness purposes;

2 (2) the property is not a manufactured home;

3 and

4 (3) the individual is not an agent for

5 collection of compensating tax pursuant to Section 7-9-10

6 NMSA 1978.

7 B. The prohibition in Subsection A of this  
8 section does not prevent the department from enforcing  
9 collection of compensating tax or any local option  
10 compensating tax on purchases from persons who are not  
11 individuals, who are agents for collection pursuant to  
12 Section 7-9-10 NMSA 1978 or who use the property in the  
13 course of engaging in business in New Mexico or from  
14 enforcing collection of compensating tax or any local option  
15 compensating tax due on purchase of manufactured homes. "

16 Section 7. Section 7-9-9 NMSA 1978 (being Laws 1966,  
17 Chapter 47, Section 9, as amended) is amended to read:

18 "7-9-9. LIABILITY OF USER FOR PAYMENT OF COMPENSATING  
19 TAX AND LOCAL OPTION COMPENSATING TAX. -- Any person in New  
20 Mexico using property on the value of which compensating tax  
21 and local option compensating tax is payable but has not been  
22 paid is liable to the state for payment of the compensating  
23 tax and applicable local option compensating tax, but this  
24 liability is discharged if the buyer has paid the  
25 compensating tax and applicable local option compensating tax

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1 to the seller for payment over to the department. "

2 Section 8. A new section of the Gross Receipts and  
3 Compensating Tax Act is enacted to read:

4 "[NEW MATERIAL] CREDIT--COMPENSATING TAX--MUNICIPAL  
5 COMPENSATING TAX PAID.--A credit shall be allowed for each  
6 reporting period against the compensating tax for an amount  
7 of the municipal compensating tax equal to:

8 A. one-half percent of the value of property for  
9 which the taxpayer is liable for that reporting period if the  
10 rate of the municipal compensating tax in effect at the time  
11 of the use was one-half percent; or

12 B. one-fourth percent of the value of property  
13 for which the taxpayer is liable for that reporting period if  
14 the rate of the municipal compensating tax in effect at the  
15 time of the use was one-fourth percent. "

16 Section 9. Section 7-19-12 NMSA 1978 (being Laws 1979,  
17 Chapter 397, Section 3, as amended) is amended to read:

18 "7-19-12. AUTHORIZATION TO IMPOSE SUPPLEMENTAL  
19 MUNICIPAL GROSS RECEIPTS TAX AND SUPPLEMENTAL MUNICIPAL  
20 COMPENSATING TAX--AUTHORIZATION FOR ISSUANCE OF SUPPLEMENTAL  
21 MUNICIPAL GROSS RECEIPTS BONDS--ELECTION REQUIRED.--

22 A. The majority of the members elected to the  
23 governing body of a municipality may enact an ordinance  
24 imposing an excise tax on any person engaging in business in  
25 the municipality for the privilege of engaging in business in

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1 the municipality. This tax is to be referred to as the  
2 "supplemental municipal gross receipts tax". The rate of the  
3 tax shall not exceed one percent of the gross receipts of the  
4 person engaging in business and shall be imposed in one-  
5 fourth percent increments if less than one percent.

6 B. An ordinance imposing a tax authorized by  
7 Subsection A of this section shall also impose a tax for the  
8 privilege of using property in the municipality if the use or  
9 service is subject to the compensating tax. This tax shall  
10 be referred to as the "supplemental municipal compensating  
11 tax". The rate of the tax imposed pursuant to this  
12 subsection shall be the same as the rate of tax imposed  
13 pursuant to Subsection A of this section. If, at the time  
14 this 2004 act becomes effective, a municipality has in effect  
15 any amount of supplemental municipal gross receipts tax, a  
16 supplemental municipal compensating tax is hereby imposed at  
17 the same rate, effective on the effective date of this 2004  
18 act.

19 [~~B.~~] C. The governing body of a municipality  
20 enacting an ordinance imposing the [~~tax~~] taxes authorized in  
21 [~~Subsection A~~] Subsections A and B of this section shall  
22 submit the question of imposing [~~such tax~~] the taxes and the  
23 question of the issuance of supplemental municipal gross  
24 receipts bonds in an amount not to exceed nine million  
25 dollars (\$9,000,000), for which the revenue from the

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1 supplemental municipal gross receipts tax and supplemental  
2 municipal compensating tax is dedicated, to the qualified  
3 electors of the municipality at a regular or special  
4 election.

5 [C-] D. The questions referred to in Subsection  
6 [B] C of this section shall be submitted to a vote of the  
7 qualified electors of the municipality as two separate ballot  
8 questions, which shall be substantially in the following  
9 form:

10 (1) "Shall the municipality be authorized to  
11 issue supplemental municipal gross receipts bonds in an  
12 amount of not exceeding \_\_\_\_\_ dollars for the  
13 purpose of constructing and equipping and otherwise acquiring  
14 a municipal water supply system?

15 For \_\_\_\_\_ Against \_\_\_\_\_"; and

16 (2) "Shall the municipality impose an excise  
17 tax for the privilege of engaging in business in the  
18 municipality which shall be known as the "supplemental  
19 municipal gross receipts tax" and an excise tax on the use of  
20 property in the municipality which shall be known as the  
21 "supplemental municipal compensating tax", both of which  
22 shall be imposed at a rate of \_\_\_\_\_ percent [~~of the~~  
23 ~~gross receipts of the person engaging in business~~], the  
24 proceeds of which are dedicated to the payment of  
25 supplemental municipal gross receipts bonds?

1 For \_\_\_\_\_ Against \_\_\_\_\_".

2 [~~D-~~] E. Only those voters who are registered  
3 electors who reside within the municipality shall be  
4 permitted to vote on these two questions. The procedures for  
5 conducting the election shall be substantially the same as  
6 the applicable provisions in Sections 3-30-1, 3-30-6 and  
7 3-30-7 NMSA 1978 relating to municipal debt.

8 [~~E-~~] F. If at an election called pursuant to this  
9 section a majority of the voters voting on each of the two  
10 questions vote in the affirmative on each [~~such~~] question,  
11 [~~then~~] the ordinance imposing the supplemental municipal  
12 gross receipts tax and supplemental municipal compensating  
13 tax shall be approved. If at such election a majority of the  
14 voters voting on such questions [~~fail~~] fails to approve any  
15 of the questions, [~~then~~] the ordinance imposing the [~~tax~~]  
16 taxes shall be disapproved and the questions required to be  
17 submitted by Subsection [~~B~~] C of this section shall not be  
18 submitted to the voters for a period of one year from the  
19 date of the election.

20 [~~F-~~] G. Any ordinance enacted under the  
21 provisions of this section shall include an effective date of  
22 either July 1 or January 1, whichever date occurs first after  
23 the expiration of at least [~~five~~] three months from the date  
24 of the election. A certified copy of any ordinance imposing  
25 a supplemental municipal gross receipts tax and supplemental

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1 municipal compensating tax shall be mailed to the [~~division~~]  
2 department within five days after the ordinance is adopted by  
3 the approval by the electorate. Any ordinance repealing the  
4 imposition of a tax under the provisions of the Supplemental  
5 Municipal Gross Receipts Tax Act shall become effective on  
6 either July 1 or January 1, after the expiration of at least  
7 [~~five~~] three months from the date the ordinance is repealed  
8 by the governing body.

9 [G-] H. Nothing in this section is intended to or  
10 does alter the effectiveness or validity of any actions taken  
11 in accordance with Subsection G of Section 80 of Chapter 20  
12 of Laws 1986. "

13 Section 10. Section 7-19-13 NMSA 1978 (being Laws 1979,  
14 Chapter 397, Section 4) is amended to read:

15 "7-19-13. ORDINANCE [~~MUST~~] SHALL CONFORM TO CERTAIN  
16 PROVISIONS OF THE GROSS RECEIPTS AND COMPENSATING TAX ACT AND  
17 REQUIREMENTS OF THE [~~DIVISION~~] DEPARTMENT. - -

18 A. Any ordinance imposing a supplemental  
19 municipal gross receipts tax and supplemental municipal  
20 compensating tax shall adopt by reference the same  
21 definitions and the same provisions relating to exemptions  
22 and deductions as are contained in the Gross Receipts and  
23 Compensating Tax Act then in effect and as it may be amended  
24 from time to time.

25 B. The governing body of any municipality

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1 imposing or increasing the supplemental municipal gross  
2 receipts tax [~~must~~] and supplemental municipal compensating  
3 tax shall adopt the language of the model ordinance furnished  
4 to the municipality by the [~~division~~] department for the  
5 portion of the ordinance relating to the [~~tax~~] taxes."

6 Section 11. Section 7-19-15 NMSA 1978 (being Laws 1979,  
7 Chapter 397, Section 6, as amended) is amended to read:

8 "7-19-15. COLLECTION BY DEPARTMENT-- TRANSFER OF  
9 PROCEEDS-- DEDUCTIONS. --

10 A. The department shall collect the supplemental  
11 municipal gross receipts tax in the same manner and at the  
12 same time it collects the state gross receipts tax. The  
13 department shall collect the supplemental municipal  
14 compensating tax in the same manner and at the same time it  
15 collects the compensating tax.

16 B. The department shall withhold an  
17 administrative fee pursuant to Section [~~1 of this 1997 act~~]  
18 7-1-6.41 NMSA 1978. The department shall transfer to each  
19 municipality for which it is collecting a supplemental  
20 municipal gross receipts tax the amount of the tax collected  
21 less the administrative fee withheld and less any  
22 disbursements for tax credits, refunds and the payment of  
23 interest applicable to the supplemental municipal gross  
24 receipts tax. The department shall transfer to each  
25 municipality for which it is collecting a supplemental

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1 municipal compensating tax the amount of the tax collected  
2 less any disbursements for tax credits, refunds and payment  
3 of interest applicable to the supplemental municipal  
4 compensating tax. Transfer of the [~~tax~~] taxes to a  
5 municipality shall be made within the month following the  
6 month in which the [~~tax-is~~] taxes are collected. "

7 Section 12. Section 7-19-16 NMSA 1978 (being Laws 1979,  
8 Chapter 397, Section 7) is amended to read:

9 "7-19-16. INTERPRETATION OF ACT--ADMINISTRATION AND  
10 ENFORCEMENT OF [~~TAX~~] TAXES. --

11 A. The [~~division~~] department shall interpret the  
12 provisions of the Supplemental Municipal Gross Receipts Tax  
13 Act.

14 B. The [~~division~~] department shall administer and  
15 enforce the collection of the supplemental municipal gross  
16 receipts tax and the supplemental municipal compensating tax,  
17 and the Tax Administration Act applies to the administration  
18 and enforcement of the [~~tax~~] taxes. "

19 Section 13. Section 7-19-18 NMSA 1978 (being Laws 1979,  
20 Chapter 397, Section 9, as amended) is amended to read:

21 "7-19-18. SUPPLEMENTAL MUNICIPAL GROSS RECEIPTS TAX AND  
22 SUPPLEMENTAL MUNICIPAL COMPENSATING TAX--USE OF PROCEEDS--  
23 RESTRICTION. --

24 A. The proceeds from the supplemental municipal  
25 gross receipts tax and supplemental municipal compensating

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1 tax shall be deposited in a special improvement account of  
2 the municipality and shall be used only for:

3 (1) the payment of the principal of,  
4 interest on, any prior redemption premiums due in connection  
5 with and other expenses related to the supplemental municipal  
6 gross receipts bonds issued pursuant to the Supplemental  
7 Municipal Gross Receipts Tax Act;

8 (2) the funding of any reserves and other  
9 accounts in connection with such bonds;

10 (3) refunding bonds; and

11 (4) to the extent not needed for those  
12 purposes, the improvement of the municipality's water system.

13 B. When any issue of supplemental municipal gross  
14 receipts bonds is fully paid, the supplemental municipal  
15 gross receipts tax and supplemental municipal compensating  
16 tax shall cease to be imposed for that issue, but may  
17 continue to be imposed for bonds enacted and approved  
18 pursuant to Section 7-19-12 NMSA 1978 and thereafter issued,  
19 or for refunding bonds issued pursuant to Section [~~4 of this~~  
20 ~~1997 act~~] 7-19-17.1 NMSA 1978. Any money remaining in a  
21 special improvement account after the obligations for  
22 supplemental municipal gross receipts bonds and refunding  
23 bonds are fully paid may be transferred to any other fund of  
24 the municipality. "

25 Section 14. A new section of the Municipal Local Option

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1 Gross Receipts Taxes Act is enacted to read:

2 " [NEW MATERIAL] MATCHING LOCAL OPTION COMPENSATING  
3 TAX. --

4 A. An ordinance imposing, increasing or repealing  
5 a local option gross receipts tax authorized by the Municipal  
6 Local Option Gross Receipts Taxes Act, except an ordinance or  
7 ordinances imposing increments of a municipal gross receipts  
8 tax subject to the credit provided pursuant to Section 7-9-82  
9 NMSA 1978, shall also impose, increase or repeal a tax for  
10 the privilege of using property in the municipality if the  
11 use of the property is subject to the compensating tax. The  
12 rate of the municipal tax on use imposed, increased or  
13 repealed shall be the same as the rate of the local option  
14 gross receipts tax imposed, increased or repealed, except  
15 that no municipal tax on use shall be imposed with respect to  
16 increments of municipal gross receipts tax subject to the  
17 credit provided pursuant to Section 7-9-82 NMSA 1978.

18 B. If, at the time this 2004 act becomes  
19 effective, a municipality has in effect a local option gross  
20 receipts tax authorized by the Municipal Local Option Gross  
21 Receipts Taxes Act, a municipal tax on use is hereby imposed  
22 at the same rate, effective on the effective date of this  
23 2004 act, except that the rate of the municipal tax on use  
24 matching the municipal gross receipts tax shall be equal to  
25 the rate of the municipal gross receipts tax for the

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1 municipality less the amount of the increments subject to the  
2 credit provided by Section 7-9-82 NMSA 1978 with respect to  
3 the municipality.

4 C. The municipal taxes on use authorized or  
5 imposed by this section may be referred to generally as  
6 "municipal local option compensating taxes". Each tax may be  
7 referred to individually by reference to the local option  
8 gross receipts tax with which it is associated. "

9 Section 15. Section 7-19D-7 NMSA 1978 (being Laws 1993,  
10 Chapter 346, Section 7, as amended) is amended to read:

11 "7-19D-7. COLLECTION BY DEPARTMENT-- TRANSFER OF  
12 PROCEEDS-- DEDUCTIONS. --

13 A. The department shall collect each local option  
14 gross receipts tax imposed pursuant to the provisions of the  
15 Municipal Local Option Gross Receipts Taxes Act in the same  
16 manner and at the same time it collects the state gross  
17 receipts tax. The department shall collect the municipal  
18 local option compensating taxes imposed pursuant to the  
19 provisions of the Municipal Local Option Gross Receipts Taxes  
20 Act in the same manner and at the same time it collects the  
21 compensating tax.

22 B. Except as provided in Subsection C of this  
23 section, the department shall withhold an administrative fee  
24 pursuant to Section [~~1 of this 1997 act~~] 7-1-6.41 NMSA 1978.

25 The department shall transfer to each municipality for which

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1 it is collecting a local option gross receipts tax pursuant  
2 to the provisions of the Municipal Local Option Gross  
3 Receipts Taxes Act the amount of each tax collected for that  
4 municipality, less the administrative fee withheld and less  
5 any disbursements for tax credits, refunds and the payment of  
6 interest applicable to the tax. The department shall  
7 transfer to each municipality for which it collects a  
8 municipal local option compensating tax pursuant to the  
9 provisions of the Municipal Local Option Gross Receipts Taxes  
10 Act the amount of each tax collected for that municipality,  
11 less any disbursements for tax credits, refunds and payment  
12 of interest applicable to the tax. The transfer to the  
13 municipality shall be made within the month following the  
14 month in which the tax is collected.

15 C. With respect to the municipal gross receipts  
16 tax imposed by a municipality pursuant to Section 7-19D-9  
17 NMSA 1978, the department shall withhold the administrative  
18 fee pursuant to Section [~~1 of this 1997 act~~] 7-1-6.41 NMSA  
19 1978 only on that portion of the municipal gross receipts tax  
20 arising from a municipal gross receipts tax rate in excess of  
21 one-half [~~of one~~] percent. "

22 Section 16. A new section of the Local Hospital Gross  
23 Receipts Tax Act is enacted to read:

24 "[NEW MATERIAL] MATCHING LOCAL HOSPITAL COMPENSATING  
25 TAX. -- Any ordinance imposing, increasing or repealing a local

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1 hospital gross receipts tax authorized by the Local Hospital  
2 Gross Receipts Tax Act shall also impose, increase or repeal  
3 a tax for the privilege of using property in the county if  
4 the use of the property is subject to the compensating tax.  
5 This tax may be referred to as the "local hospital  
6 compensating tax". The rate of the local hospital  
7 compensating tax imposed, increased or repealed shall be the  
8 same as the rate of local hospital gross receipts tax  
9 imposed, increased or repealed. If, at the time this 2004  
10 act becomes effective, a county has in effect a local  
11 hospital gross receipts tax, a local hospital compensating  
12 tax is hereby imposed at the same rate, effective on the  
13 effective date of this 2004 act. "

14 Section 17. Section 7-20C-6 NMSA 1978 (being Laws 1991,  
15 Chapter 176, Section 6, as amended) is amended to read:

16 "7-20C-6. COLLECTION BY DEPARTMENT-- TRANSFER OF  
17 PROCEEDS-- DEDUCTIONS. --

18 A. The department shall collect the local  
19 hospital gross receipts tax in the same manner and at the  
20 same time it collects the state gross receipts tax. The  
21 department shall collect the local hospital compensating tax  
22 in the same manner and at the same time it collects the  
23 compensating tax.

24 B. The department shall withhold an  
25 administrative fee pursuant to Section 7-1-6.41 NMSA 1978.

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1 Except as provided in Subsection C of this section, the  
2 department shall transfer to each county for which it is  
3 collecting ~~[such]~~ the local hospital gross receipts tax the  
4 amount of the tax collected less the administrative fee  
5 withheld and less any disbursements for tax credits, refunds  
6 and the payment of interest applicable to the tax. The  
7 department shall transfer to each county for which it is  
8 collecting the local hospital compensating tax the amount of  
9 the tax collected less any disbursements for tax credits,  
10 refunds and the payment of interest applicable to the tax.  
11 Transfer ~~[of the tax]~~ to a county shall be made within the  
12 month following the month in which the tax is collected.

13 C. In lieu of a transfer pursuant to Subsection B  
14 of this section to a class B county with a population, as  
15 shown in the last federal decennial census, of more than  
16 twenty-five thousand and a net taxable value in the 2002  
17 property tax year of less than two hundred million dollars  
18 (\$200,000,000), the department shall make the transfer to the  
19 largest municipality in that county for the purpose of  
20 maintaining and operating a hospital. "

21 Section 18. A new section of the County Local Option  
22 Gross Receipts Taxes Act is enacted to read:

23 "[NEW MATERIAL] MATCHING LOCAL OPTION COMPENSATING  
24 TAX. --

25 A. Any ordinance imposing, increasing or

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1     repealing a local option gross receipts tax authorized by the  
2     County Local Option Gross Receipts Taxes Act to be imposed on  
3     a county-wide basis shall also impose, increase or repeal a  
4     tax for the privilege of using property in the county if the  
5     use of the property is subject to the compensating tax. The  
6     rate of county tax on use imposed, increased or repealed  
7     shall be the same as the rate of the local option gross  
8     receipts tax imposed, increased or repealed.

9             B. Any ordinance imposing, increasing or  
10     repealing a local option gross receipts tax authorized by the  
11     County Local Option Gross Receipts Taxes Act to be imposed  
12     only in the county area shall also impose, increase or repeal  
13     a tax for the privilege of using property in the county area.  
14     The rate of county area tax on use imposed, increased or  
15     repealed shall be the same as the rate of the local option  
16     gross receipts tax imposed, increased or repealed.

17             C. If, at the time this 2004 act becomes  
18     effective, a county has in effect a local option gross  
19     receipts tax authorized to be imposed on a county-wide basis,  
20     a county tax on use of property in the county is hereby  
21     imposed at the same rate, effective on the effective date of  
22     this 2004 act. If, at the time this 2004 act becomes  
23     effective, a county has in effect a local option gross  
24     receipts tax authorized to be imposed only in the county  
25     area, a county tax on use of property in the county area is

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1 hereby imposed at the same rate, effective on the effective  
2 date of this 2004 act.

3 D. The county taxes on use authorized or imposed  
4 by this section may be referred to generally as "county local  
5 option compensating taxes". Each tax may be referred to  
6 individually by reference to the local option gross receipts  
7 tax with which it is associated. "

8 Section 19. Section 7-20E-7 NMSA 1978 (being Laws 1993,  
9 Chapter 354, Section 7, as amended) is amended to read:

10 "7-20E-7. COLLECTION BY DEPARTMENT--TRANSFER OF  
11 PROCEEDS--DEDUCTIONS. --

12 A. The department shall collect each county local  
13 option gross receipts tax imposed pursuant to the provisions  
14 of the County Local Option Gross Receipts Taxes Act in the  
15 same manner and at the same time it collects the state gross  
16 receipts tax. The department shall collect each county local  
17 option compensating tax imposed pursuant to the provisions of  
18 the County Local Option Gross Receipts Taxes Act in the same  
19 manner and at the same time it collects the compensating tax.

20 B. The department shall withhold an  
21 administrative fee pursuant to Section [~~1 of this 1997 act~~]  
22 7-1-6.41 NMSA 1978. The department shall transfer to each  
23 county for which it is collecting a county local option gross  
24 receipts tax pursuant to the provisions of the County Local  
25 Option Gross Receipts Taxes Act the amount of each county

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1 local option gross receipts tax collected for that county,  
2 less the administrative fee withheld and less any  
3 disbursements for tax credits, refunds and the payment of  
4 interest applicable to the tax. The department shall  
5 transfer to each county for which it is collecting a county  
6 local option compensating tax pursuant to the provisions of  
7 the County Local Option Gross Receipts Taxes Act the amount  
8 of each local option compensating tax collected for that  
9 county, less any disbursements for tax credits, refunds and  
10 the payment of interest applicable to the tax. The transfer  
11 to the county shall be made within the month following the  
12 month in which the tax is collected. "

13 Section 20. Section 7-20F-3 NMSA 1978 (being Laws 1993,  
14 Chapter 303, Section 3, as amended) is amended to read:

15 "7-20F-3. COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS  
16 TAX AND COUNTY CORRECTIONAL FACILITY COMPENSATING  
17 TAX- - AUTHORITY TO IMPOSE- - RATE- - ORDINANCE REQUIREMENTS- -  
18 REFERENDUM - -

19 A. The majority of the members elected to the  
20 county board may enact an ordinance imposing on a county-wide  
21 basis an excise tax not to exceed a rate of one-eighth [~~of~~  
22 ~~one~~] percent of the gross receipts of any person engaging in  
23 business in the county, including all municipalities within  
24 the county; provided that the voters of:

25 (1) a class A county described in Paragraph

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1 (1) of Subsection A of Section 7-20F-2 NMSA 1978 or a class B  
2 county described in Paragraph (2) of Subsection A of Section  
3 7-20F-2 NMSA 1978 have approved the issuance of general  
4 obligation bonds of the county sufficient to pay at least  
5 one-half of the costs of the construction and equipping of  
6 the new county judicial-correctional facility for which the  
7 county correctional facility gross receipts tax revenue is  
8 dedicated; or

9 (2) a class B county described in Paragraph  
10 (3) of Subsection A of Section 7-20F-2 NMSA 1978 have  
11 approved the issuance of bonds by the New Mexico finance  
12 authority sufficient to pay at least one-half of the costs of  
13 designing, constructing, equipping, furnishing and otherwise  
14 improving the new county correctional facility for which the  
15 county correctional facility gross receipts tax revenue is  
16 dedicated.

17 B. The tax imposed pursuant to Subsection A of  
18 this section may be referred to as the "county correctional  
19 facility gross receipts tax". The county correctional  
20 facility gross receipts tax shall be imposed only once for  
21 the period necessary for payment of the principal and  
22 interest on revenue bonds issued pursuant to the County  
23 Correctional Facility Gross Receipts Tax Act, but the period  
24 shall not exceed ten years from the effective date of the  
25 ordinance imposing the tax.

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1                   C. An ordinance imposing a county correctional  
2 facility gross receipts tax shall also impose a tax on the  
3 use of property in the county if the use of the property is  
4 subject to the compensating tax. This tax may be referred to  
5 as the "county correctional facility compensating tax". The  
6 rate of the county correctional facility compensating tax  
7 imposed shall be the same as the rate of county correctional  
8 facility gross receipts tax imposed. If, at the time this  
9 2004 act becomes effective, a county has in effect a county  
10 correctional facility gross receipts tax, a county  
11 correctional facility compensating tax is hereby imposed at  
12 the same rate, effective on the effective date of this 2004  
13 act.

14                   [~~C.~~] D. Any ordinance imposing a county  
15 correctional facility gross receipts tax and county  
16 correctional facility compensating tax pursuant to this  
17 section shall:

18                               (1) impose the [~~tax~~] taxes in any number of  
19 increments of one-sixteenth [~~of one~~] percent not to exceed an  
20 aggregate amount of one-eighth [~~of one~~] percent; provided  
21 that the rate of the two taxes is the same;

22                               (2) specify that the imposition of the [~~tax~~]  
23 taxes will begin on either July 1 or January 1, whichever  
24 occurs first after the expiration of at least three months  
25 from the date that the department is notified personally or

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1 by mail by the county that imposition of the county  
2 correctional facility gross receipts tax and county  
3 correctional facility compensating tax has been approved by a  
4 majority of the registered voters in the county voting on the  
5 question; and

6 (3) dedicate the revenue from the county  
7 correctional facility gross receipts tax and county  
8 correctional facility compensating tax for the purpose of  
9 constructing, purchasing, furnishing, equipping,  
10 rehabilitating, expanding or improving a judicial-  
11 correctional or a county correctional facility or the grounds  
12 of a judicial-correctional or county correctional facility,  
13 including but not limited to acquiring and improving parking  
14 lots, landscaping or any combination of the foregoing or to  
15 payment of principal and interest on revenue bonds or  
16 refunding bonds issued pursuant to the provisions of the  
17 County Correctional Facility Gross Receipts Tax Act.

18 [~~D.~~] E. An ordinance imposing a county  
19 correctional facility gross receipts tax and county  
20 correctional facility compensating tax pursuant to this  
21 section shall not become effective until after an election is  
22 held and a simple majority of the qualified electors of the  
23 county voting in the election votes in favor of imposing the  
24 tax.

25 [~~E.~~] F. The [~~governing body~~] county board shall

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1 adopt a resolution calling for an election within  
2 seventy-five days of the date the ordinance is adopted on the  
3 question of imposing the [~~tax~~] taxes and:

4 (1) in a class A county described in  
5 Paragraph (1) of Subsection A of Section 7-20F-2 NMSA 1978 or  
6 a class B county described in Paragraph (2) of Subsection A  
7 of Section 7-20F-2 NMSA 1978, if a property tax at a rate  
8 necessary to comply with the provisions of Subsection A of  
9 this section has not been approved by the voters of the  
10 county, the question submitted to the voters shall be the  
11 question of imposing a county correctional facility gross  
12 receipts tax, a county correctional facility compensating tax  
13 and a property tax at a rate necessary for the issuance of  
14 general obligation bonds of the county sufficient to comply  
15 with the provisions of the County Correctional Facility Gross  
16 Receipts Tax Act; or

17 (2) in a class B county described in  
18 Paragraph (3) of Subsection A of Section 7-20F-2 NMSA 1978,  
19 the question to be submitted to the voters is "Shall a county  
20 correctional facility gross receipts tax and a county  
21 correctional facility compensating tax be imposed to repay  
22 bonds that will be issued by the New Mexico finance authority  
23 in an amount sufficient to pay at least one-half of the costs  
24 of designing, constructing, equipping, furnishing and  
25 otherwise improving the new county correctional facility?".

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1           ~~[F-]~~ G. The question shall be submitted to the  
2 voters at any general election or special election called for  
3 that purpose by the county board.

4           ~~[G-]~~ H. The election upon the question shall be  
5 called, held, conducted and canvassed in substantially the  
6 same manner as may be provided by law for general elections.

7           ~~[H-]~~ I. If the question of imposing the county  
8 correctional facility gross receipts tax, the county  
9 correctional facility compensating tax and a property tax, if  
10 the question includes a property tax, fails, the county board  
11 shall not again propose imposition of a county correctional  
12 facility gross receipts tax for a period of one year after  
13 the election.

14           ~~[I-]~~ J. Revenue produced by the imposition of a  
15 county correctional facility gross receipts tax and a county  
16 correctional facility compensating tax that is in excess of  
17 the annual principal and interest due on bonds secured by a  
18 pledge of the county correctional facility gross receipts tax  
19 and the county correctional facility compensating tax may be  
20 accumulated in a debt service reserve account until an amount  
21 equal to the maximum amount permitted pursuant to the  
22 provisions of the United States treasury regulations is  
23 accumulated in the debt service reserve account. After the  
24 debt service reserve account requirements have been met, the  
25 excess revenue shall be accumulated in an extraordinary

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1 mandatory redemption fund and annually used to redeem the  
2 bonds prior to their stated maturity date.

3 [J-] K. When all outstanding bonds have been  
4 paid, whether from the debt service reserve, the redemption  
5 fund or maturity, the ordinance shall be repealed if the  
6 [~~county correctional facility gross receipts tax~~] revenue  
7 from the county correctional facility gross receipts tax and  
8 county correctional facility compensating tax is no longer  
9 required for the purposes for which it may be used pursuant  
10 to the provisions of the County Correctional Facility Gross  
11 Receipts Tax Act.

12 [K-] L. The repeal of an ordinance imposing a  
13 county correctional facility gross receipts tax and a county  
14 correctional facility compensating tax shall state that the  
15 repeal shall be effective on January 1 or July 1, whichever  
16 occurs first following the date the department is notified  
17 personally or by mail by the county of the repeal."

18 Section 21. Section 7-20F-5 NMSA 1978 (being Laws 1993,  
19 Chapter 303, Section 5) is amended to read:

20 "7-20F-5. COLLECTION BY DEPARTMENT-- TRANSFER OF  
21 PROCEEDS-- DEDUCTIONS. --

22 A. The department shall collect the county  
23 correctional facility gross receipts tax in the same manner  
24 and at the same time it collects the state gross receipts  
25 tax. The department shall collect the county correctional

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1 facility compensating tax in the same manner and at the same  
2 time it collects the compensating tax.

3 B. The department shall remit to each county for  
4 which it is collecting a county correctional facility gross  
5 receipts tax and a county correctional facility compensating  
6 tax the amount of the tax collected, less any disbursement  
7 for tax credits, refunds and the payment of interest  
8 applicable to the [~~county correctional facility gross~~  
9 ~~receipts tax~~] taxes. Transfer [~~of the tax~~] to a county shall  
10 be made within the month following the month in which the  
11 [~~tax is~~] taxes are collected. "

12 Section 22. Section 7-20F-7 NMSA 1978 (being Laws 1993,  
13 Chapter 303, Section 7) is amended to read:

14 "7-20F-7. REVENUE BONDS--AUTHORITY TO ISSUE--ORDINANCE  
15 AUTHORIZING ISSUE--PLEDGE OF REVENUE. --

16 A. In addition to any other law authorizing a  
17 county to issue revenue bonds, a county may issue revenue  
18 bonds pursuant to the County Correctional Facility Gross  
19 Receipts Tax Act for the purposes specified in that act.  
20 Revenue bonds issued pursuant to the County Correctional  
21 Facility Gross Receipts Tax Act may be referred to as "county  
22 correctional facility gross receipts tax revenue bonds".

23 B. A county board, by majority vote, may adopt an  
24 ordinance providing for issuance of revenue bonds pursuant to  
25 the provisions of the County Correctional Facility Gross

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1 Receipts Tax Act, the principal and interest of which shall  
2 be paid from the revenue derived by the county from the  
3 county correctional facility gross receipts tax, the county  
4 correctional facility compensating tax and any other revenue  
5 that the county may dedicate to the payment of the revenue  
6 bonds.

7 C. Revenue bonds or refunding revenue bonds  
8 issued as authorized pursuant to the County Correctional  
9 Facility Gross Receipts Tax Act are:

10 (1) not general obligations of the county;  
11 and

12 (2) collectible only from the county  
13 correctional facility gross receipts tax, the county  
14 correctional facility compensating tax and, if authorized,  
15 other properly pledged revenues, and each bond shall be  
16 payable solely from the properly pledged revenues and the  
17 bondholders shall not look to any other county fund for the  
18 payment of the interest and principal of the bonds. "

19 Section 23. APPLICABILITY. --The provisions of this act  
20 are applicable to use of tangible personal property on or  
21 after July 1, 2004.

22 Section 24. EFFECTIVE DATE. --The effective date of the  
23 provisions of this act is July 1, 2004.